

ACT 343

S.B. NO. 1975

A Bill for an Act Relating to the Employees' Retirement System.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 88-21, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

““Narcotics enforcement investigators”: those officers or employees with police powers as defined by chapter 329 who actively enforce narcotics or related statutory provisions on a full-time basis.”

SECTION 2. Section 88-45, Hawaii Revised Statutes, is amended to read as follows:

“§88-45 Employee contributions. After June 30, 1988, each class A and class B member shall contribute seven and eight-tenths per cent of the member's compensation to the annuity savings fund; provided that after June 30, [1988,] 1989 all firefighters, police officers, corrections officers, [and] investigators of the departments of the prosecuting attorney and of the attorney general, and narcotics enforcement investigators shall contribute twelve and two-tenths per cent of their compensation to the annuity savings fund.”

SECTION 3. Section 88-47, Hawaii Revised Statutes, is amended to read as follows:

“§88-47 Membership. There shall be three classes of members in the system to be known as class A members, class B members, and class C members, defined as follows:

- (1) Class A members shall consist of members covered by section 88-74(3), those members whose salaries are set forth in sections 26-52[,] and 26-53, investigators of the department of the attorney general, narcotics enforcement investigators, and those members in service prior to July 1, 1984, including those who are on approved leave of absence, who are covered by Title II of the Social Security Act on account of service creditable under this part. These members shall consist of:
 - (A) All employees who enter the membership of the system after June 30, 1957, except employees in positions to which coverage under Title II of the Social Security Act is not extended;
 - (B) All employees who were members of the system on July 1, 1957, who elected to be covered by the Social Security Act; and
 - (C) All former class A retirants who return to employment after June 30, 1984, requiring the retirant's active membership.
- (2) Class B members shall consist of all members in the system who are not class A or class C members.
- (3) Except for members covered by section 88-74(3), [and] those members whose salaries are set forth in sections 26-52[,] and 26-53, investigators of the department of the attorney general, and narcotics enforcement investigators, class C members shall consist of all employees in positions covered by Title II of the Social Security Act who:
 - (A) First enter service after June 30, 1984;
 - (B) Reenter service after June 30, 1984, without vested benefit status as provided in section 88-96(b);
 - (C) Make the election to become a class C member as provided in part VII; or
 - (D) Are former class C retirants who return to service requiring the retirant's active membership.
- (4) None of the provisions of this part shall apply to class C members except as specifically provided in part VII."

SECTION 4. Section 88-74, Hawaii Revised Statutes, is amended to read as follows:

"§88-74 Allowance on service retirement. Upon retirement from service, a member shall receive a retirement allowance as follows:

- (1) If the member has attained the age of fifty-five, a retirement allowance of two per cent of the member's average final compensation multiplied by the total number of years of the member's credited service as a class A and B member, plus a retirement allowance of one and one-fourth per cent of the member's average final compensation multiplied by the total number of years of prior credited service as a class C member; provided that after June 30, 1968, if the member has at least ten years of credited service of which the last five or more years prior to retirement is credited service as a firefighter [or a] police officer, or an investigator of the department of the prosecuting attorney, and provided that after June 30, 1977, if the member has at least ten years of credited service of which the last five or more years prior to retirement is credited service as a corrections officer, and provided that after June 16, 1981, if the member has at least ten years of credited service of which the last five or more years prior to retirement is credited as an investigator of the department of the attorney general, and provided that after June 30, 1989, if the member has at least ten years of credited service of which the last five or more years prior to retirement is

credited as a narcotics enforcement investigator, then for each year of service as a firefighter, a police officer, [or] a corrections officer, an investigator of the department of the prosecuting attorney, an investigator of the department of the attorney general, or a narcotics enforcement investigator, the retirement allowance shall be two and one-half per cent of the member's average final compensation; provided further that the maximum retirement allowance for such a member shall not exceed eighty per cent of the member's average final compensation. If the member has not attained the age of fifty-five, the member's retirement allowance shall be computed as though the member had attained age fifty-five, reduced in accordance with factors of actuarial equivalence adopted by the board upon the advice of the actuary; provided that no such reduction shall be made if the member has at least twenty-five years of credited service as a firefighter, police officer, corrections officer, investigator of the department of the prosecuting attorney, investigator of the department of the attorney general, narcotics enforcement investigator, or sewer worker, of which the last five or more years prior to retirement is credited service in such capacities.

- (2) If the member has made voluntary additional contributions for the purchase of an additional annuity and has not applied for the refund thereof as permitted by section 88-72, the member may accept such refund at the time of retirement or, in lieu thereof, receive in addition to the retirement allowance provided in paragraph (1), an annuity which is the actuarial equivalent of such additional contributions with regular interest.
- (3) If the member has credited service as a judge, an elective officer, or the chief clerk or the sergeant at arms of either house of the legislature, the member's retirement allowance shall be computed on the following basis:
 - (A) Irrespective of age, for each year of credited service as a judge, an elective officer, or the chief clerk or the sergeant at arms of either house of the legislature, three and one-half per cent of the member's average final compensation in addition to an annuity which is the actuarial equivalent of the member's accumulated contributions allocable to the period of such service; and
 - (B) For all other credited service as provided in paragraphs (1) and (2). No allowance shall exceed seventy-five per cent of such member's average final compensation. If the allowance exceeds this limit, it shall be adjusted by reducing the annuity included in subparagraph (A), and the portion of the accumulated contributions specified in that subparagraph as may be in excess of the requirements of the reduced annuity shall be returned to the member.

The allowance for judges under this section, together with the retirement allowance provided by the federal government for similar service, shall in no case exceed seventy-five per cent of such member's average final compensation."

SECTION 5. All narcotics enforcement investigators and investigators of the department of the attorney general shall be class A members of the employees' retirement system. They shall file a statement with and arrange for additional deductions or lump sum payments to the board of trustees of the employees' retirement system pursuant to sections 88-45 and 88-59.

SECTION 6. Those narcotics enforcement investigators and investigators of the department of the attorney general who were class A members and narcotics enforcement investigators prior to July 1, 1984, and elected to become class C members of the employees' retirement system, shall file a statement by July 1, 1990 with and arrange for additional deductions or lump sum payments to the board of trustees of the employees' retirement system pursuant to sections 88-45 and 88-59, Hawaii Revised Statutes.

SECTION 7. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 8. This Act shall take effect on July 1, 1989.

(Approved June 16, 1989.)